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RECEIVED
JAN 28 2004
PUBLIC SERVICE
COMMISSION

January 27, 2004

Thomas M. Dorman, Esq.
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: Case No. 2003-00434

Dear Mr. Dorman:

Please find enclosed the original and twelve copies of the Second Set of Data Requests of Kentucky Industrial Utility Customers, Inc. to Kentucky Utilities Company filed in the above-referenced matter.

Pursuant to agreement with the Company, KIUC's data requests will be submitted as they are finalized in order to reduce the number of questions the Company receives on February 3. We will be supplementing these questions as more questions become final.

By copy of this letter, all parties listed on the attached Certificate of Service been served. Please place this document of file.

Very Truly Yours,



David F. Boehm, Esq.
BOEHM, KURTZ & LOWRY

MJKew
Attachment

cc: Certificate of Service
Richard Raff, Esq.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by mailing a true and correct copy, by regular U.S. mail (unless otherwise noted) to all parties on the 27th day of January, 2004

Michael S. Beer, Vice President, Rates & Regulatory
Kentucky Utilities Company
c/o Louisville Gas & Electric Co.
P. O. Box 32010
Louisville, KY 40232-2010

Honorable Elizabeth E. Blackford
Assistant Attorney General
Office of the Attorney General
Utility & Rate Intervention Division
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204

Honorable David C. Brown
Stites & Harbison, PLLC
400 West Market Street, Suite 1800
Louisville, KY 40202

Lexington-Fayette Urban County Government
Department Of Law
200 East Main Street
Lexington, KY 40507

Honorable Linda S. Portasik
Senior Corporate Attorney
Kentucky Utilities Company
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P. O. Box 32010
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Honorable Kendrick R. Riggs
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1700 Citizens Plaza
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(Via Electronic Mail)

Honorable Richard S. Taylor
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225 Capital Avenue
Frankfort, KY 40601


David F. Boehm, Esq.

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COMMISSION

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In The Matter Of Adjustment of Electric Rates of :
Kentucky Utilities Company : Case No. 2003-00434

**SECOND SET OF DATA REQUESTS OF
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC. to
KENTUCKY UTILITY COMPANY**

Dated: January 27, 2004

DEFINITIONS

1. "Document" means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence investigations, questionnaires, surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in or on whatever medium, including computerized memory or magnetic media.
2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.
3. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
4. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
5. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number of code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company's possession or subject to its control, state what disposition was made of it.
6. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
7. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
8. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.
9. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
10. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.
12. "KU" means Kentucky Utilities Company, and/or any of their officers, directors, employees or agents who may have knowledge of the particular matter addressed.

INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Industrial Utility Customers. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.
3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.
8. Responses to requests for revenue, expense and rate base data should provide data on the basis of Total company as well as Intrastate data, unless otherwise requested.

KIUC's SECOND SET OF DATA REQUESTS TO KU
PSC CASE NO. 2003-00434

1. Please provide an electronic copy (on diskette or CD) of Seelye Exhibit 1. Please include all work papers and supporting documentation used and relied upon by Mr. Seelye in the preparation of this Exhibit. Provide all electronic spreadsheets with cell formulas intact.
2. Please provide an electronic copy (on diskette or CD) of Seelye Exhibit 2. Please include all work papers and supporting documentation used and relied upon by Mr. Seelye in the preparation of this Exhibit. Provide all electronic spreadsheets with cell formulas intact.
3. Please provide an electronic copy (on diskette or CD) of Seelye Exhibit 3. Please include all work papers and supporting documentation used and relied upon by Mr. Seelye in the preparation of this Exhibit. Provide all electronic spreadsheets with cell formulas intact.
4. Please provide an electronic copy (on diskette or CD) of Seelye Exhibit 4. Please include all work papers and supporting documentation used and relied upon by Mr. Seelye in the preparation of this Exhibit. Provide all electronic spreadsheets with cell formulas intact.
5. Please provide an electronic copy (on diskette or CD) of Seelye Exhibit 5. Please include all work papers and supporting documentation used and relied upon by Mr. Seelye in the preparation of this Exhibit. Provide all electronic spreadsheets with cell formulas intact.
6. Please provide an electronic copy (on diskette or CD) of Seelye Exhibit 6. Please include all work papers and supporting documentation used and relied upon by Mr. Seelye in the preparation of this Exhibit. Provide all electronic spreadsheets with cell formulas intact.
7. Please provide an electronic copy (on diskette or CD) of Seelye Exhibit 7. Please include all work papers and supporting documentation used and relied upon by Mr. Seelye in the preparation of this Exhibit. Provide all electronic spreadsheets with cell formulas intact.
8. Please provide an electronic copy (on diskette or CD) of Seelye Exhibit 8. Please include all work papers and supporting documentation used and relied upon by Mr. Seelye in the preparation of this Exhibit. Provide all electronic spreadsheets with cell formulas intact.
9. Please provide an electronic copy (on diskette or CD) of Seelye Exhibit 9. Please include all work papers and supporting documentation used and relied upon by Mr. Seelye in the preparation of this Exhibit. Provide all electronic spreadsheets with cell formulas intact.
10. Please provide an electronic copy (on diskette or CD) of Seelye Exhibit 10. Please include all work papers and supporting documentation used and relied upon by Mr. Seelye in the preparation of this Exhibit. Provide all electronic spreadsheets with cell formulas intact.
11. Please provide an electronic copy (on diskette or CD) of Seelye Exhibit 11. Please include all work papers and supporting documentation used and relied upon by Mr. Seelye in the preparation of this Exhibit. Provide all electronic spreadsheets with cell formulas intact.
12. Please provide an electronic copy (on diskette or CD) of Seelye Exhibit 12. Please include all work papers and supporting documentation used and relied upon by Mr. Seelye in the preparation of this Exhibit. Provide all electronic spreadsheets with cell formulas intact.

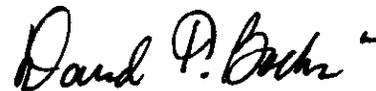
25. Please provide an electronic copy (on diskette or CD) of Seelye Exhibit 25. Please include all work papers and supporting documentation used and relied upon by Mr. Seelye in the preparation of this Exhibit. Provide all electronic spreadsheets with cell formulas intact.
26. If not provided in response to a previous request, please provide(in electronic form, with formulas intact) all work papers, analyses, etc. supporting the development of the zero-intercept calculations as used by Mr. Seelye in the BIP cost of service study. Also include all statistical analyses performed.
27. Please provide all workpapers, including statistical analyses, input data, etc. in electronic form (spreadsheet or other form) on a disk or CD underlying the analysis of Large Commercial Customers Rate of Return vs. Average Load Factor shown on page 32 of Mr. Seelye's testimony.
28. With regard to Mr. Seelye's testimony on the Curtailable Service Rider changes, beginning on page 44 of his testimony, please provide each analysis, workpaper or other support for the proposed changes, including any customer impact analysis that may have been prepared by the Company or its consultants. Also include workpapers supporting the voltage differentials (e.g., primary, transmission).
29. Please provide a schedule showing the amount of curtailable load by customer, for each customer during the test year and the prior 3 years (can be on a calendar year basis). Provide the date the customer first contracted for curtailable service, the mw subject to interruption and the number of hours that the customer was actually interrupted during the test year and each of the prior 3 years.
30. Please provide all for the test year and each of the prior 3 years the number of hours of generation, by unit, by month, for each of the Company's combustion turbines. Also provide the most recently prepared production cost simulation reports for KU that would show the expected number of hours of operation for each of the Company's combustion turbines over the next 5 years (at a minimum), including any new CT's added during this 5 year period. Provide the actual output reports from such a production cost analysis that would contain the requested data (including, but not limited to: name of unit, capacity in mw, output in mwh, capacity factor, average heat rate, hours of operation).
31. Please provide the Company's protocols or procedures used to determine interruptions of curtailable customers (i.e., instructions used by system operators to actually interrupt customers). Include the specific criteria used to make the decision as to whether or not to interrupt one or more customers.
32. With regard to the Company's criteria for interrupting interruptible or curtailable customers, does the Company interrupt all customers at the same time, for the same duration? If not, please provide the practice used to determine customer interruptions (e.g., a rotational scheme wherein customers are selected for interruption from an ordered list, that is sequentially implemented).
33. If not provided in response to a previous request, please provide the cost support for the proposed "non-compliance" penalty increase from \$15 to \$16 per kw. Please prepare a summary schedule showing the number of non-compliance events which actually occurred over the last 3 years and the test year.
34. Please provide a description of the methodology used by the Company to reflect interruptible load in the development of each of the "demand allocators" used in the cost of service study. Also provide all workpapers supporting the calculations, adjustments, etc. that were made to reflect interruptible load. Please identify, by retail rate schedule (as used in the cost of service study) the amount of

interruptible or curtailable load. For each such rate schedule, provide the NCP, NCPP, SICD, SCP, WCP and BDEM associated with interruptible or curtailable load.

35. Please provide a detailed description of the methodology used by the Company to allocate costs that are recovered through the environmental surcharge. Please identify each revenue, expense, rate base, or other component of the Company's cost of service study that includes costs or revenues that are recovered or paid through the environmental surcharge. For each such cost (e.g., O&M expense, production rate base, etc.) that is included in the environmental surcharge, please provide the method used to allocate this cost item in the cost of service study filed in this case. If these costs were not included in the cost of service study, please provide an explanation for not including them and provide workpapers or schedules detailing how these costs were removed from test year expenses, revenues and investment.
36. Please provide an explanation for Mr. Seelye's statement on page 30, line 20 of his testimony for not increasing "National American Stainless", based on the cost of service study results. Is it the Company's policy that classes that have rates of return at present rates above the system average should not receive an increase? What is the justification for decreasing the Special Contracts class (1.39% decrease), while increasing other rate classes with rates of return above the system average?
37. During the test year, please provide the following information regarding the NAS contract.
 - a Number of kWh by month purchased by NAS from KU;
 - b Total amount paid by month by NAS from KU;
 - c Average price per kWh paid by month by NAS;
 - d Monthly peak demand of NAS;
 - e A chronological list of each time NAS was interrupted and the duration of the interruption.
38. With regard to account 501, fuel, please provide the test year expense by month. Also provide the monthly amounts separated by on-peak weekday, weeknight and weekend period. Alternatively, this information can be provided by month corresponding to the Company's designation of base, intermediate and peak periods. Provide a similar breakdown of the energy portion of account 555, purchased power for the test year.
39. Please provide, by rate class (as used in the cost of service study), by month, mwh energy corresponding to the on-peak weekday, off-peak weekday and weekend periods defined by the Company in its response to the previous question. Also provide, on an hourly basis, estimated (either actual or based on sample load research data) rate class energy use by hour for the test year. State whether the data reflects energy at the meter or energy adjusted for losses.
40. For each generating unit that operated during the test year, please provide the following:
 - a. The average monthly heat rate, by month.
 - b. In electronic form, on a disk or CD, please provide the hourly output of the unit, by hour.
 - c. If available, please provide the hourly fuel cost of the unit, by hour, in electronic form on a disk or CD.
 - d. Provide the monthly fuel, by month, cost booked for the unit.
41. For each purchased power purchase, please provide the following
 - a. In electronic form, on a disk or CD, please provide the hourly mwh of the purchase, by purchase.

- b. In electronic form, on a disk or CD, please provide the hourly cost of the energy portion of the purchase, by purchase.
 - c. The method used by the Company to separate the cost of the purchase into energy and demand components (if this is obtained directly from the invoice or contract, please so state and provide summary schedules showing the development of the separate energy and demand components).
42. If not provided in response to a previous request, please provide for each rate class included in the cost of service study (as a separate class), monthly energy at generation voltage. Also provide the monthly amounts separated by on-peak weekday, weeknight and weekend periods. Alternatively, this information can be provided by month corresponding to the Company's designation of base, intermediate and peak periods.
43. Please provide in electronic form (disk, cd) a file containing the hourly system lambda for the test year.
44. With regard to Mr. Seelye's testimony on a Rider for Intermittent and Fluctuating Loads ("IFL"), beginning on page 46 of his testimony, please provide each analysis, workpaper of other support for the proposed changes, including any customer impact analysis that may have been prepared by the Company or its consultants. This analysis should include the number of customers that would be affected by the Rider, the names of each customer affected by the Rider, and the yearly revenue expected to be received by the Company from the Rider.
45. With regard to Mr. Seelye's testimony on an Excess Facilities Rider, beginning on page 46 of his testimony, please provide each analysis, workpaper of other support for the proposed changes, including any customer impact analysis that may have been prepared by the Company or its consultants. This analysis should include the number of customers that would be affected by the Rider, the names of each customer affected by the Rider, and the yearly revenue expected to be received by the Company from the Rider.
46. With regard to Mr. Seelye's testimony on the Redundant Capacity Rider, beginning on page 48 of his testimony, please provide each analysis, workpaper of other support for the proposed changes, including any customer impact analysis that may have been prepared by the Company or its consultants. This analysis should include the number of customers that would be affected by the Rider, the names of each customer affected by the Rider, and the yearly revenue expected to be received by the Company from the Rider.

Respectfully submitted,



David F. Boehm, Esq.

Michael L. Kurtz, Esq.

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**COUNSEL FOR KENTUCKY INDUSTRIAL
UTILITY CUSTOMERS, INC.**

January 27, 2004